

Alaskan Way Viaduct Seawall Replacement Program Recommended Funding Plan

June 8, 2010

Update

- **March 2010:** The Executive transmitted a proposal to place a bond levy measure before voters that would secure funding for the Central Seawall.
- **May/June 2010:** SDOT received a feasibility study confirming that a Local Improvement District (LID) can be relied upon to support significant work on the waterfront and surface street portions of the program. However, it is not an appropriate funding source for the Central Seawall or Mercer West.
- **Now:** The Executive is sharing the results of the LID study and is presenting a funding proposal for the remaining portions of the Alaskan Way Viaduct and Seawall Replacement Program.

AWVSRP Commitments

- In January 2009, the Mayor, County Executive, and Governor signed a letter outlining a tentative plan to replace the Alaskan Way Viaduct and Seawall.
- In October 2009, the City Council approved an agreement with the State, County, and Port on how to approach replacing the Alaskan Way Viaduct and Seawall.
- Through this agreement, the City assumed responsibility for certain project components and agreed to identify funding.
- As part of the 2010 Adopted Budget, the Council requested that the Mayor develop a proposal that would fund these commitments.

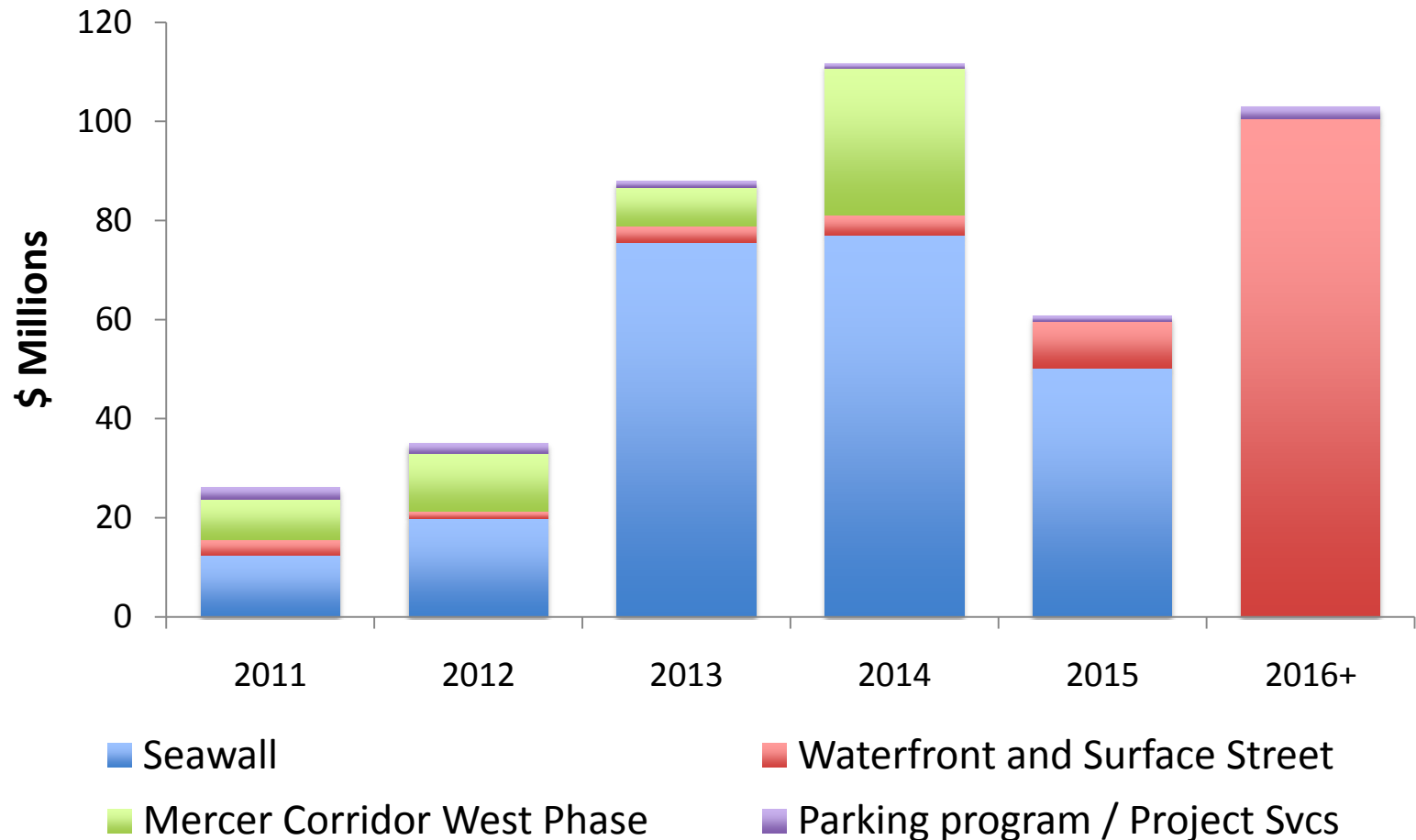
City Commitments and Funding Needs

	Total	Funding Identified	Funding Needed
Central Seawall	274	39	235
Waterfront and Surface Street*	413+	290	122+
Mercer Corridor West Phase	100	43	57
Utility Relocation Costs	248	248	
Parking program / Project Svcs	41	31	10
Total**	1076	651	425

* Amount identified in initial planning –not inclusive of all project components.

** Excludes First Avenue Streetcar. This project will be evaluated within the Transit Master Plan.

Unfunded Costs for Alaskan Way Viaduct Seawall Replacement Program



Funding Considerations

- The General Fund faces over a \$50 million shortfall for each of 2011 and 2012; pressure will continue into future years. Support of large capital projects difficult.
- Real estate excise tax revenue remains severely depressed and is insufficient to support even planned major maintenance projects. Cannot support additional projects over the next several years.
- Seattle Department of Transportation faces funding a gap for planned projects in the 2010-2015 Adopted CIP of \$107 million. Additionally, there are other major transportation funding needs not included in the Adopted CIP, such as significant funding for implementing the Pedestrian and Bicycle Master Plans.
- Beyond major projects, sustainable funding needs for maintenance of existing transportation infrastructure exceed current resources available. Transportation funding demand is high and dollars are constrained.

Funding Considerations

- Flexible transportation resources such as the commercial parking tax and vehicle license fee are tools that can help address gaps in funding for maintenance and other mobility projects.
- Pledging these resources for extended durations to support large projects limits flexibility and the ability to address other transportation funding needs. Preserving some flexibility within these resources requires seeking voter-approved funding for the AWVSRP.
- Projected cash flows for 2011 and 2012 for the Alaskan Way Viaduct and Seawall Replacement Program require new revenue sources to be secured prior to 2011 spending.

Local Improvement District Feasibility

- In response to a City Council request in the 2010 Adopted Budget, the Executive engaged the appraisal firm Allen Brackett Shedd (ABS) to perform a feasibility analysis on the creation of a Local Improvement District (LID) to support portions of the AWWSRP.
- In a June 2010 report, ABS confirms that anticipated improvements will generate sufficient increases in property value to warrant establishment of a LID to support major elements of the program, excluding the Central Seawall and Mercer West. Median estimates range from \$450-\$600 million in increased value.
- Based on the ABS study, a LID is anticipated to support \$200-\$225 million of project costs. LID likely formed in 2015-2016.
- Current project cost estimates are based on pre-concept design and will change as the project's concept design work is completed.

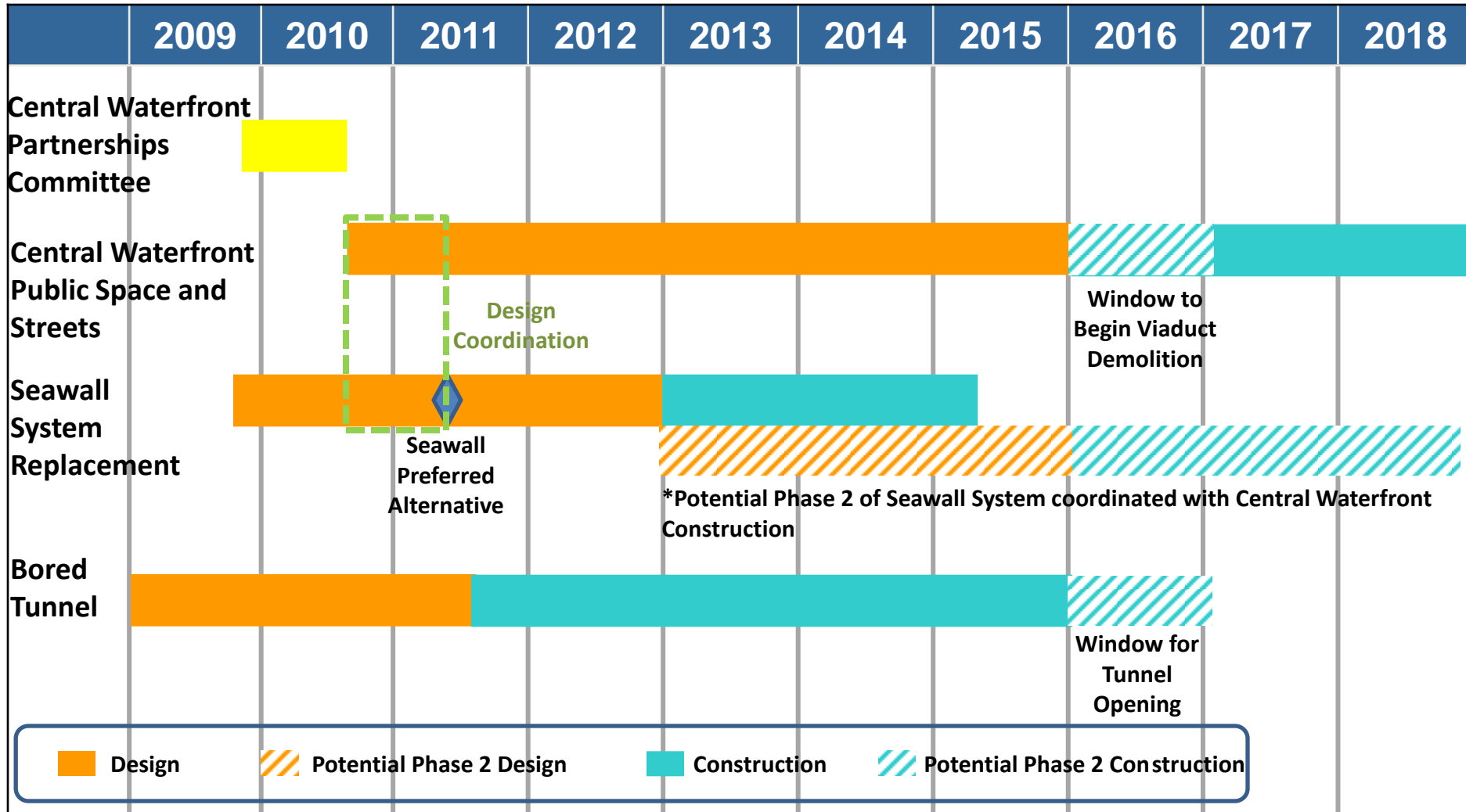
Funding Recommendations

- Central Seawall
 - 30-year excess bond levy of \$0.12 / \$1,000 AV
 - Average household impact: \$50 / year;
 - \$15 million in revenue annually
- Mercer Corridor West and Parking Program
 - Additional 2.5% Commercial Parking Tax for 20 years
 - Estimated \$5 million per year
- Waterfront and Surface Street
 - Local Improvement District formed within 2015-2016 timeframe
 - Project design and costs to be defined
 - Preliminary estimates: \$200 - \$225 million

Project Status

- Central Seawall
 - Design consultant selected & developing concept designs
 - Ongoing coordination with Waterfront Planning
- Mercer Corridor West
 - Consultant selected & developing/analyzing alternative designs; 30% design expected in 1Q 2011
- Parking Program
 - Q3 2010 Launch of e-Park guidance system
- Waterfront and Surface Street
 - Request for qualifications for design consultant team in June 2010; selection in October 2010

Central Waterfront Design / Construction Timeline



Next Steps to Secure Funding

- Council action needed in July 2010 in order to put Seawall bond levy on ballot in November 2010.
Election filing deadlines: August 10th for November 2010
 December 23rd for February 2011
- Executive will transmit commercial parking tax increase legislation for Mercer Corridor West and Parking Program as part of the 2011-2012 Proposed Budget submittal in September 2010. Council action in November 2010.
- Local Improvement District likely formed within 2015-2016 timeframe to support waterfront and surface street. Interim financing utilized for planning costs.